



BALTIMORE
PLANNING ACADEMY

Baltimore's Budget

OCTOBER 2, 2019



Agenda

Budget Overview

Baltimore's Budget Processes

Fiscal 2020 Budget

Questions

Balancing Act

Equity in Budgeting Discussion

Budget Overview

Baltimore has two budgets: Operating and Capital

- Operating funds the daily business of the City, specifically covering programs, services, staff, and supplies.
- Capital funds physical infrastructure projects for the City, specifically major renovations and replacements that are long-term investments

Total 2020 budget is \$3.5 billion

Capital v. Operating Budget

CAPITAL



OPERATING



Capital v. Operating Budget

CAPITAL



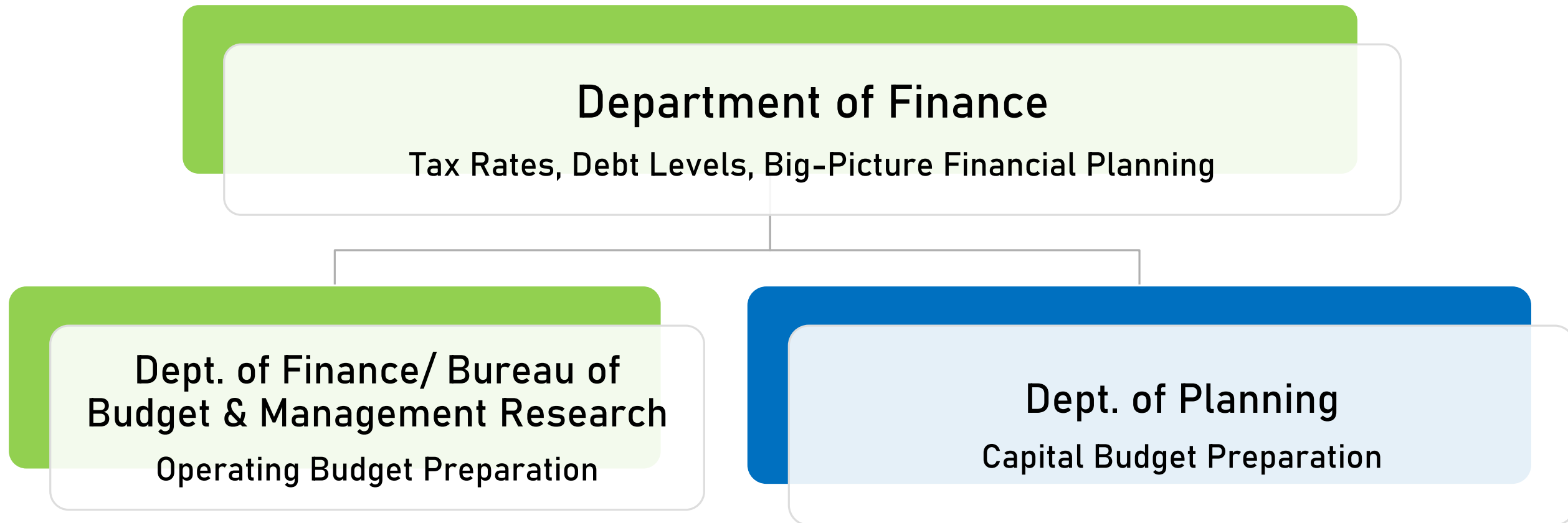
OPERATING

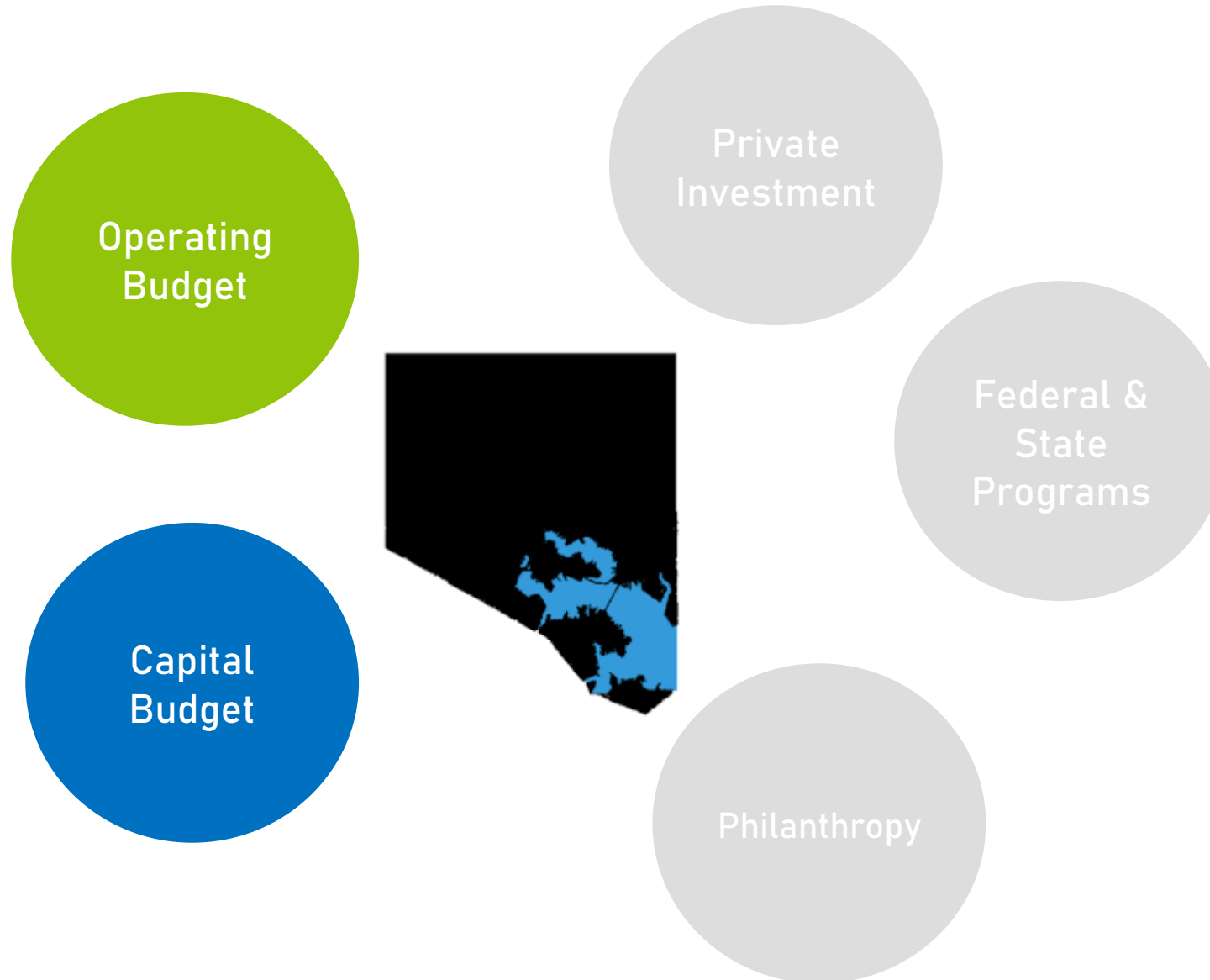


Types of Capital Projects

- Roads
- Bridges
- Bike Lanes
- Sidewalks
- Major Software Systems
- Cultural Attractions
- Schools
- Libraries
- Municipal Buildings
- Police & Fire Stations
- Senior Centers
- Health Clinics
- Convention Center
- Parks
- Recreation Centers
- Water/Sewer Pipes
- Sewage Treatment Plants
- Water Treatment Plants
- Pumping Stations
- Stormwater Infrastructure
- Demolition of Vacant/Abandoned Buildings
- Housing Redevelopment Projects
- Public Markets
- Economic Development Projects

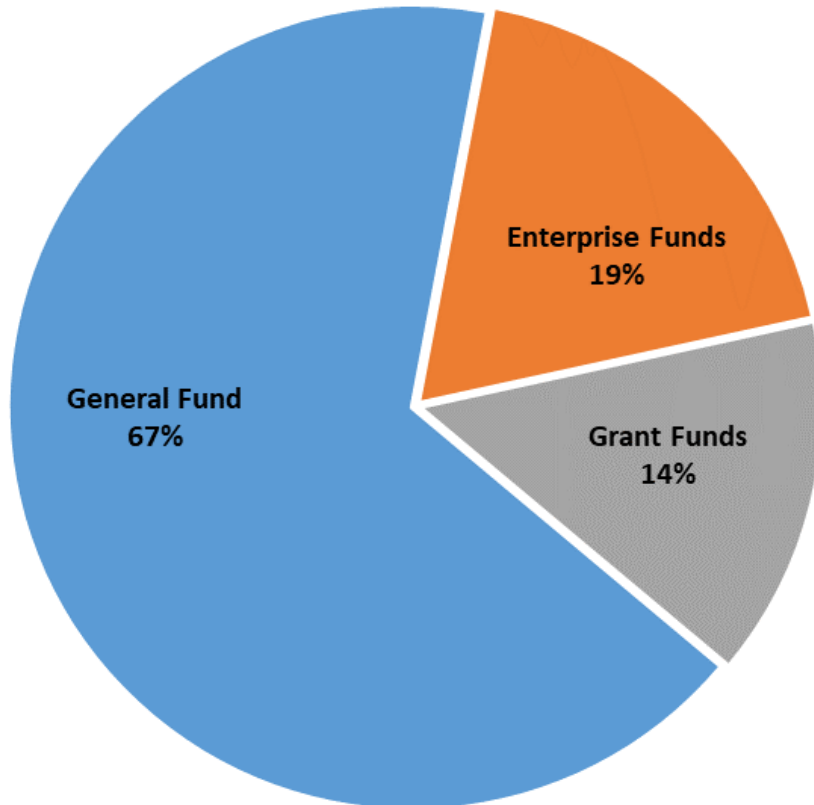
Budget Preparation





Where the Money Comes From - Operating

Operating Budget by Revenue Source



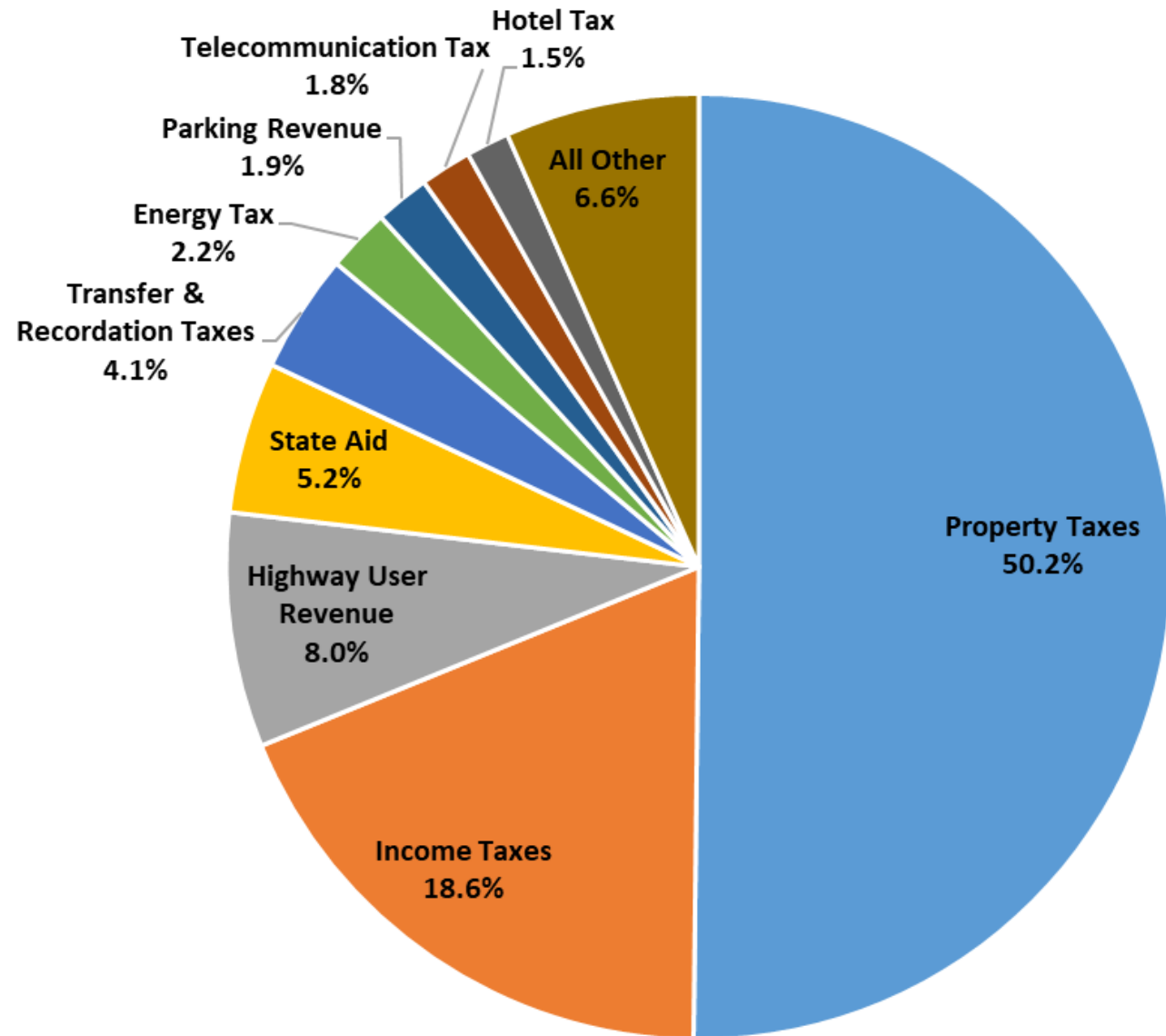
General Fund: is the City's largest fund. It includes all local taxes paid by residents, businesses and visitors. Policy-makers have the most management flexibility over how dollars are spent.

Grant Funds: are legally required to support specific programs and initiatives. The City receives funding from Federal, State and other special or private grantors.

Enterprise Funds: are used for operations in which the cost of services is covered primarily through user charges, which are determined based on consumption.

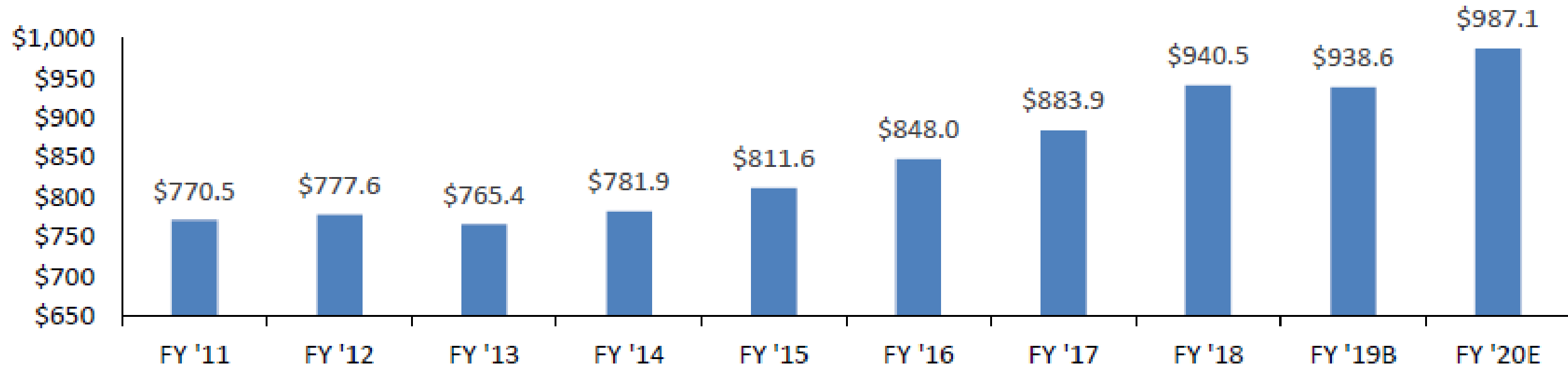
General Fund by Revenue Source

2020 Total = \$1.97 billion



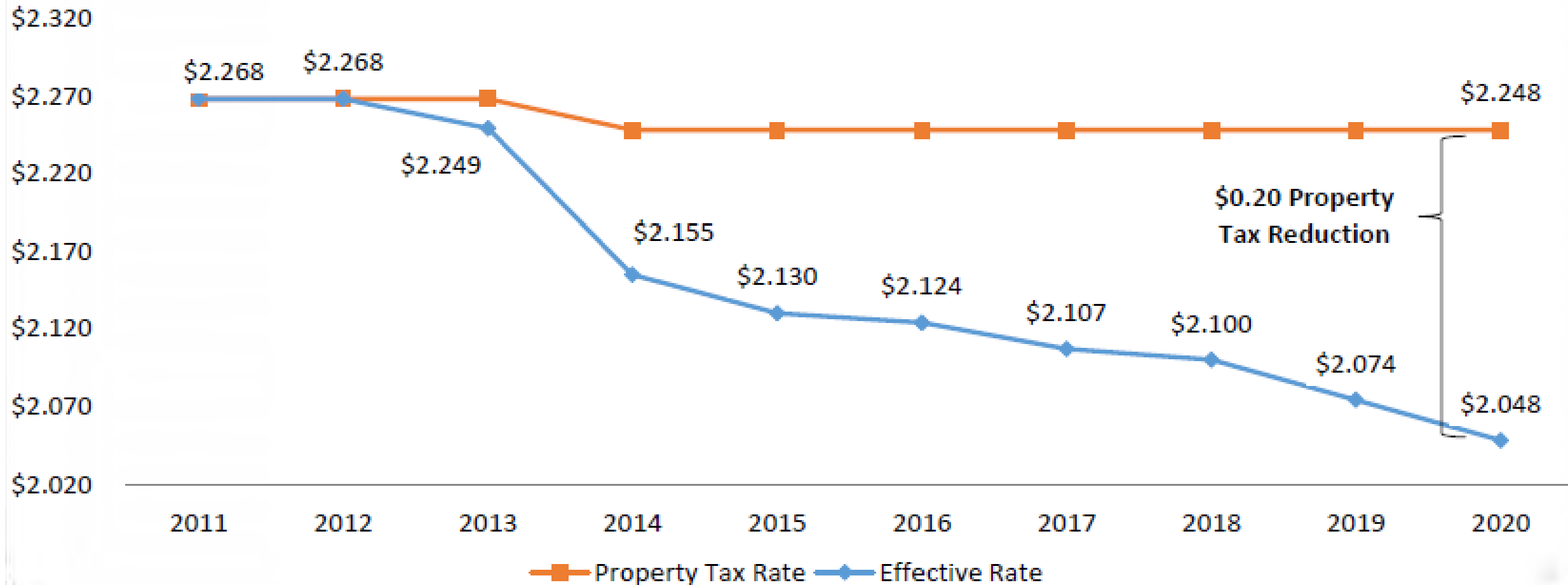
Property Tax Growth

Real and Personal Property Tax Revenues*
(Dollars in Millions)

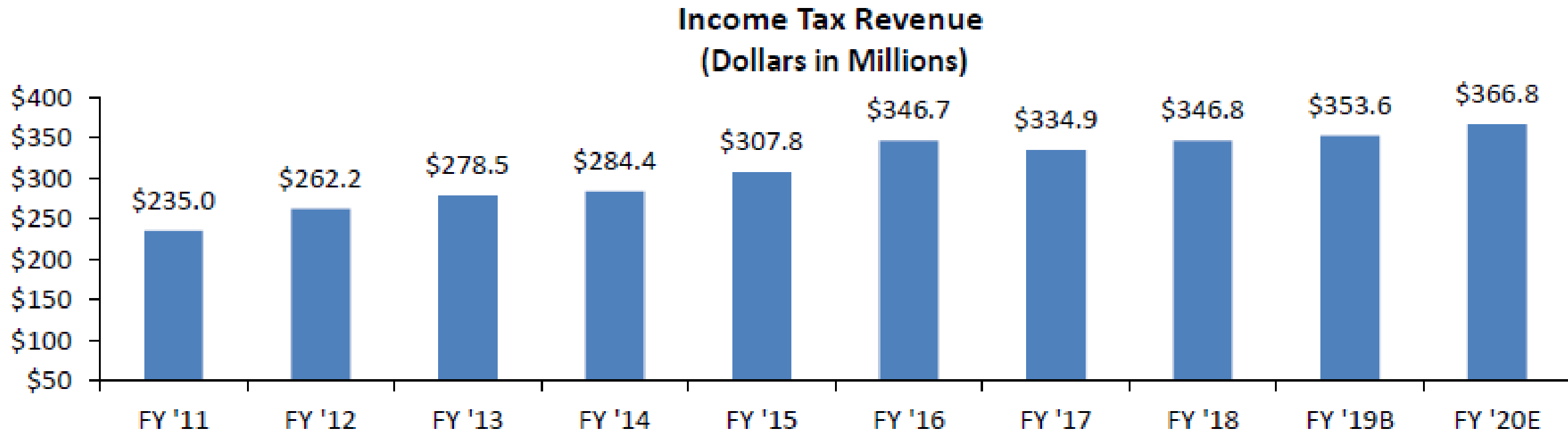


*Real and personal property tax revenues are net of the Homestead Tax Credit

Effective Property Tax Rate History (Per \$100 of Assessed Value)

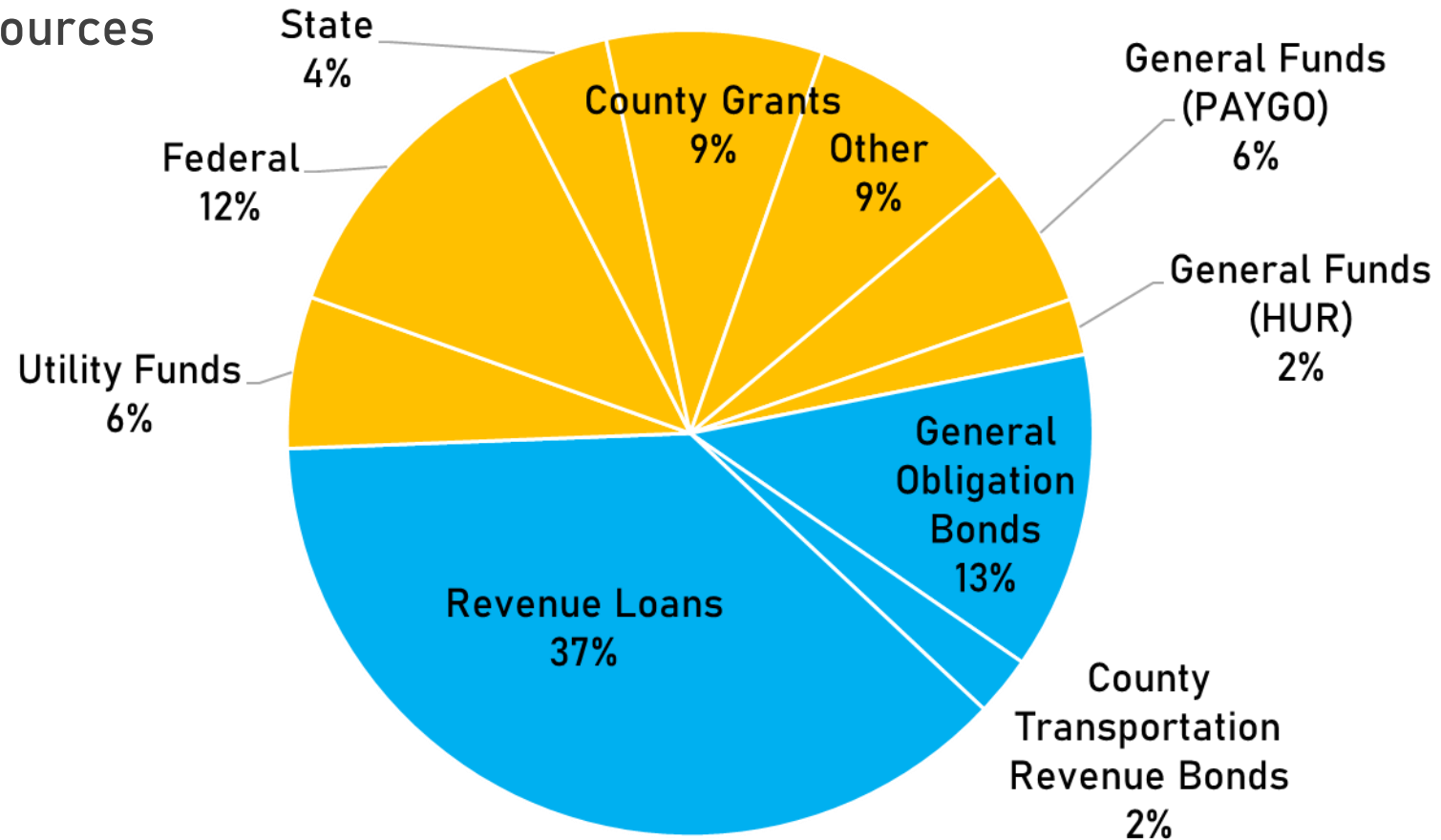


Stronger Income Tax Base



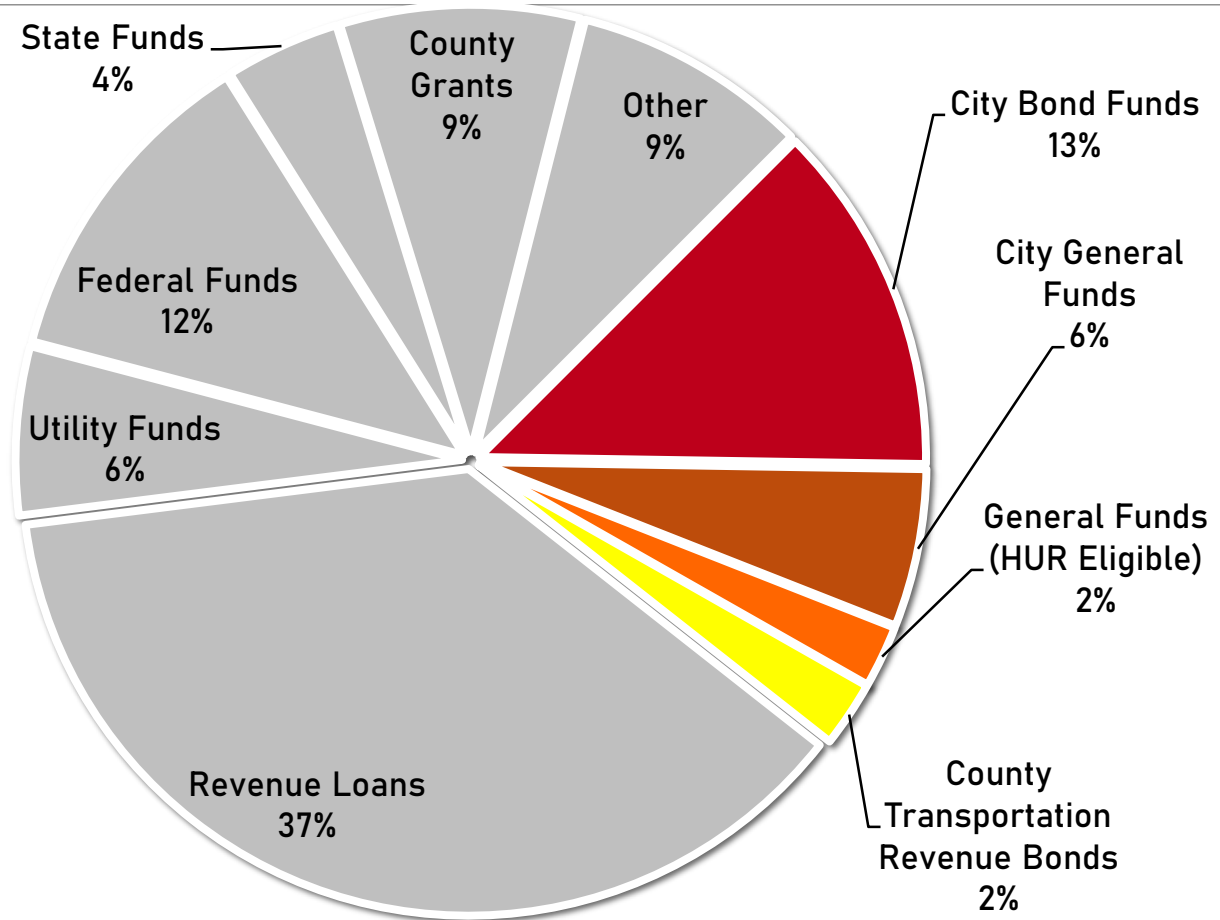
Where the Money Comes From - Capital

Revenue vs. Debt Sources



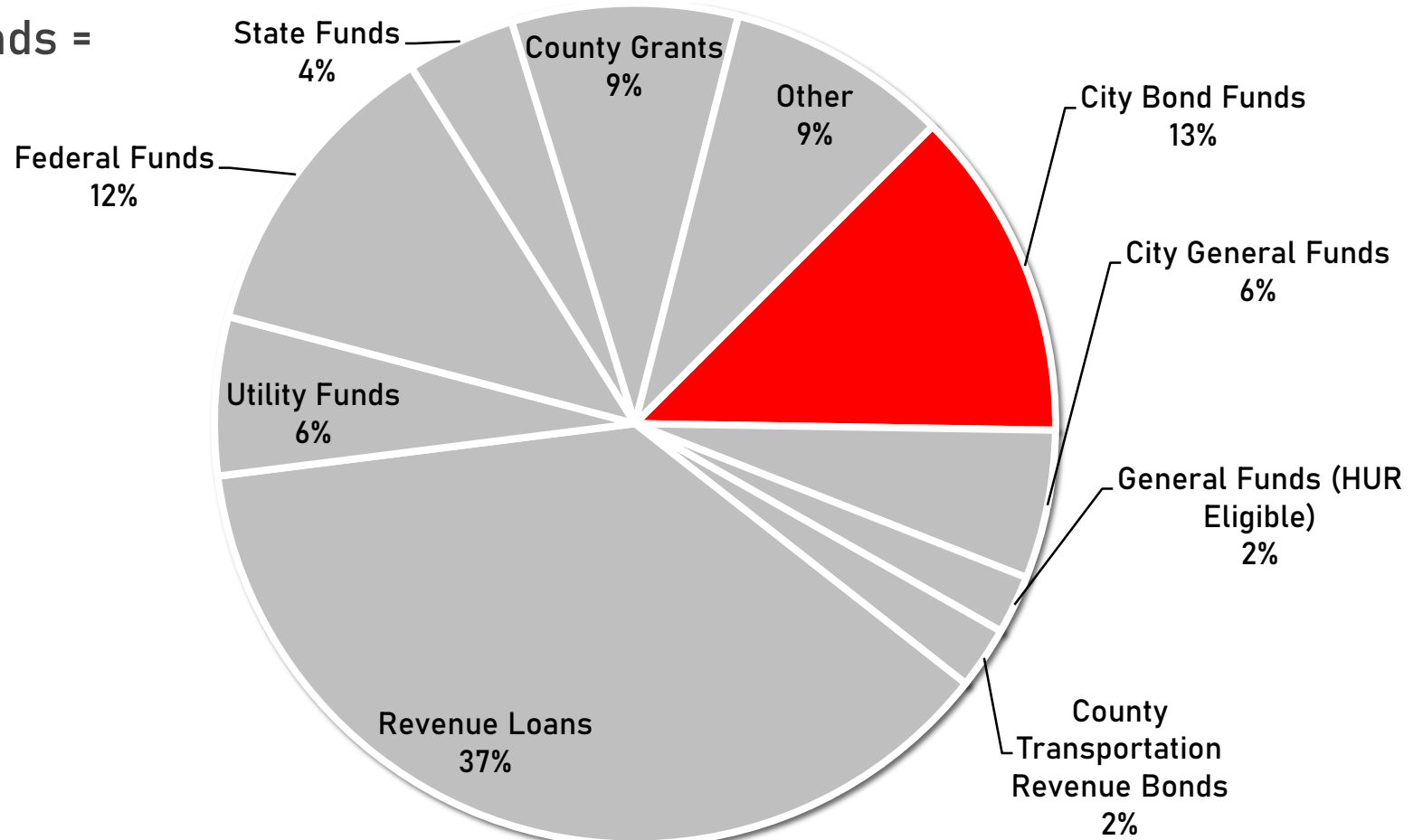
Where the Money Comes From - Capital

Local, non-utility /
general fund backed sources =
\$145,000,000



Where the Money Comes From - Capital

General obligation bonds =
\$80,000,000



2018 Loan Authorization

Question A: Affordable Housing **\$10,000,000 over 2 years**
Eligible uses of this new loan include acquisition, preservation, production of new housing, demolition, rental assistance, housing counseling and project finance comprised of loans or grants as well as other related activities.

Question B: Schools **\$38,000,000 over 2 years**
Provides funding for dozens of systemic improvements to City school buildings (roofs, HVAC, windows, etc.) along with a few major renovations, replacements and additions.

Question C: Community and Economic Development **\$47,000,000 over 2 years**
Provides funding for a range of community and economic development uses from renovation of cultural institutions and other community assets to acquisition and demolition of vacant homes.

Question D: Parks and Public Facilities **\$65,000,000 over 2 years**
Provides funding to improve public buildings and land, including libraries, parks, recreation centers, court buildings, fire stations, municipal buildings, information technology infrastructure, and other city-owned properties

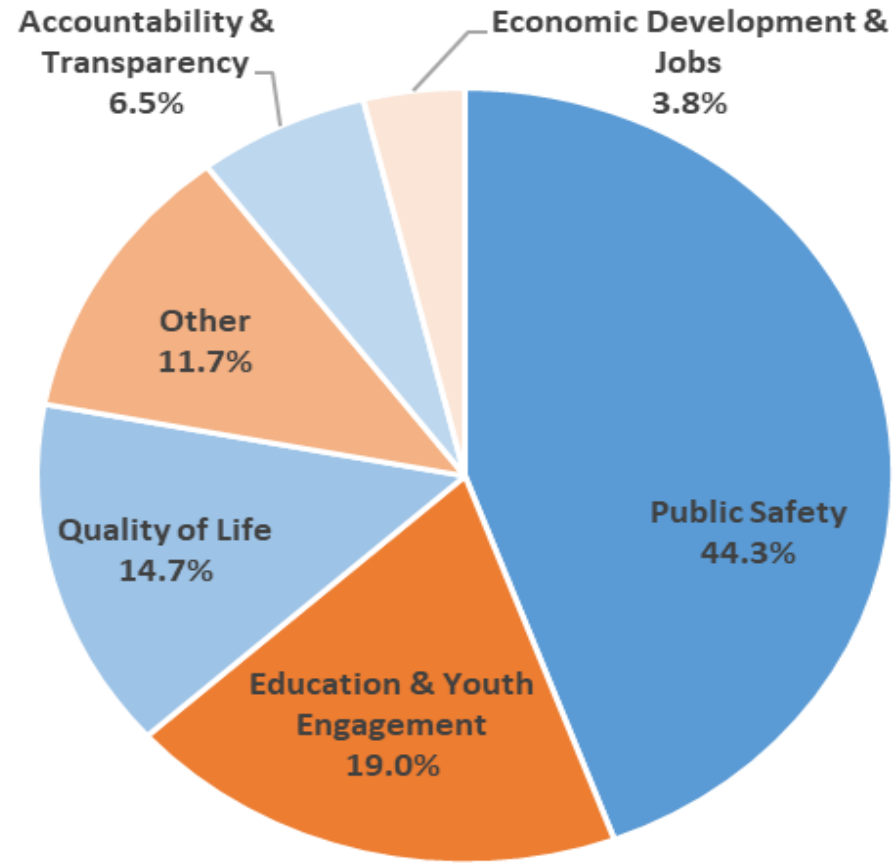
Total: \$160,000,000 over 2 years

Question A Bond Issue Affordable Housing Loan Ordinance No. 16-489 to authorize the Mayor and City Council of Baltimore to borrow up to \$6,000,000 to be used for the planning, developing, executing, and making operative the Affordable Housing Program of the Mayor and City Council of Baltimore, including, but not limited to, the acquisition, by purchase, lease, condemnation or any other legal means, of land or property in the City of Baltimore; the payment of any and all costs and expenses incurred in connection with or incidental to the acquisition and management of the land or property; the payment of any and all costs and expenses incurred for or in connection with relocating and moving persons or other legal entities displaced by the acquisition of the land or property, and the disposition of land and property for such purposes, such costs to include but not limited to rental payment and home purchase assistance, housing counseling and buyer education, assistance, and activities to support the orderly and sustainable planning, preservation, rehabilitation, and development of economically diverse housing in City neighborhoods; the elimination of unhealthful, unsanitary or unsafe conditions, lessening density, eliminating obsolete or other uses detrimental to the public welfare or otherwise removing or preventing the spread of blight or deterioration in the City of Baltimore; and for doing all things necessary, proper or expedient in connection therewith. <input type="radio"/> For <input type="radio"/> Against	Question C Bond Issue Community and Economic Development Loan Ordinance No. 16-491 to authorize the Mayor and City Council of Baltimore to borrow up to \$45,000,000 to be used for, or in connection with, planning, developing, executing and making operative the community, commercial, and industrial economic development programs of the Mayor and City Council of Baltimore and authorizing loans and grants therefore; authorizing loans and grants to various projects and programs related to improving cultural life and promotion of tourism in Baltimore City and for doing any and all things necessary, proper or expedient in connection therewith. <input type="radio"/> For <input type="radio"/> Against
Question B Bond Issue	Question D Bond Issue Recreation and Parks and Public Facilities Ordinance No. 16-492 to authorize the Mayor and City Council of Baltimore to borrow up to \$45,000,000 to be used for the acquisition and development of property buildings owned and controlled by the Mayor and City Council of Baltimore, the Enoch Pratt Free Library and public park or recreation land, property, buildings, structures or facilities; for the construction, erection, renovation, alteration, reconstruction, installation, improvement and repair of buildings, structures, or facilities to be or now being used by or in connection with the operations, function and activities of the Mayor and City Council of Baltimore, the

Where the Money Goes – Operating

Allocation by Function

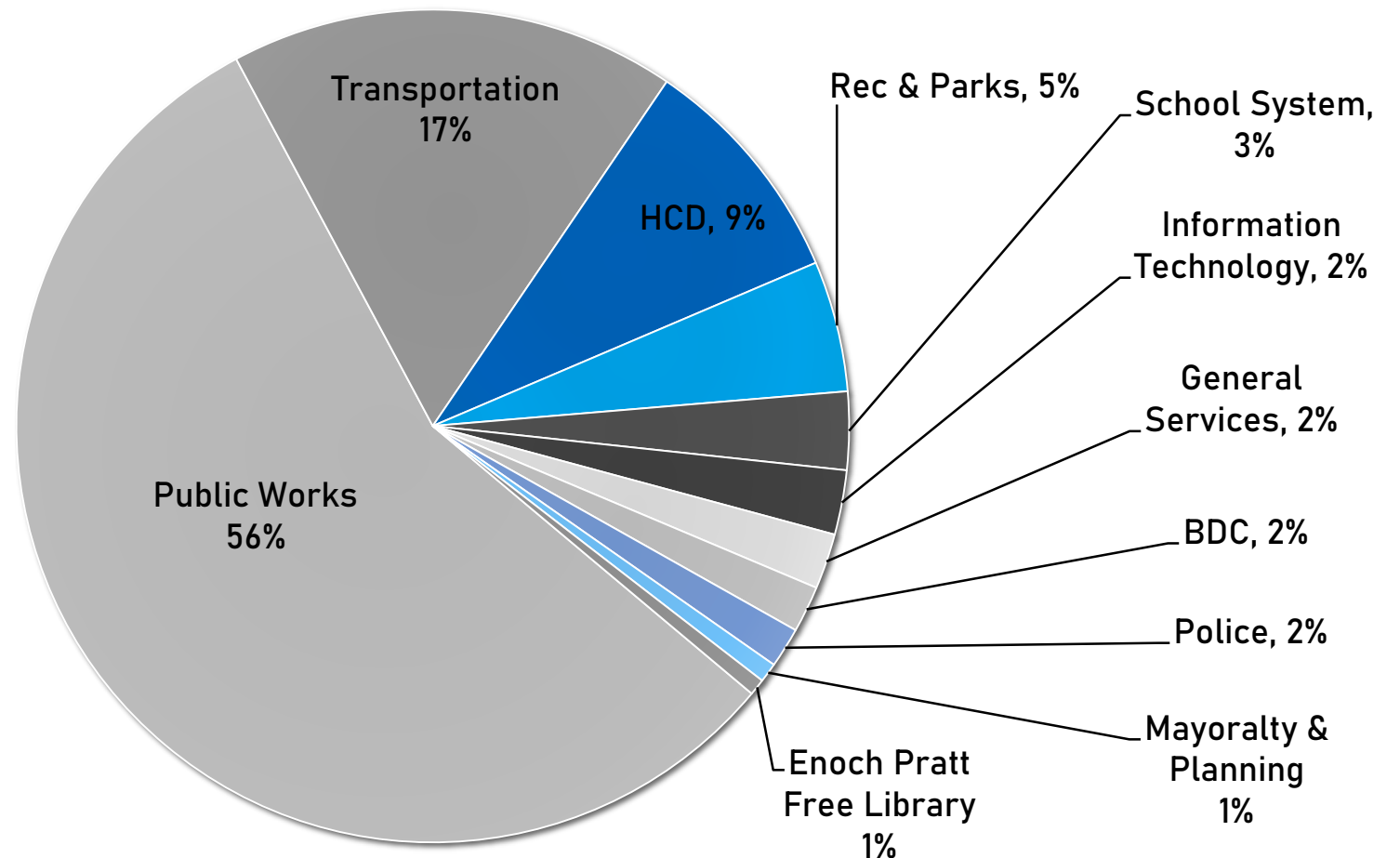
2020 Operating Budget = \$2.93 billion



Where the Money Goes – Capital

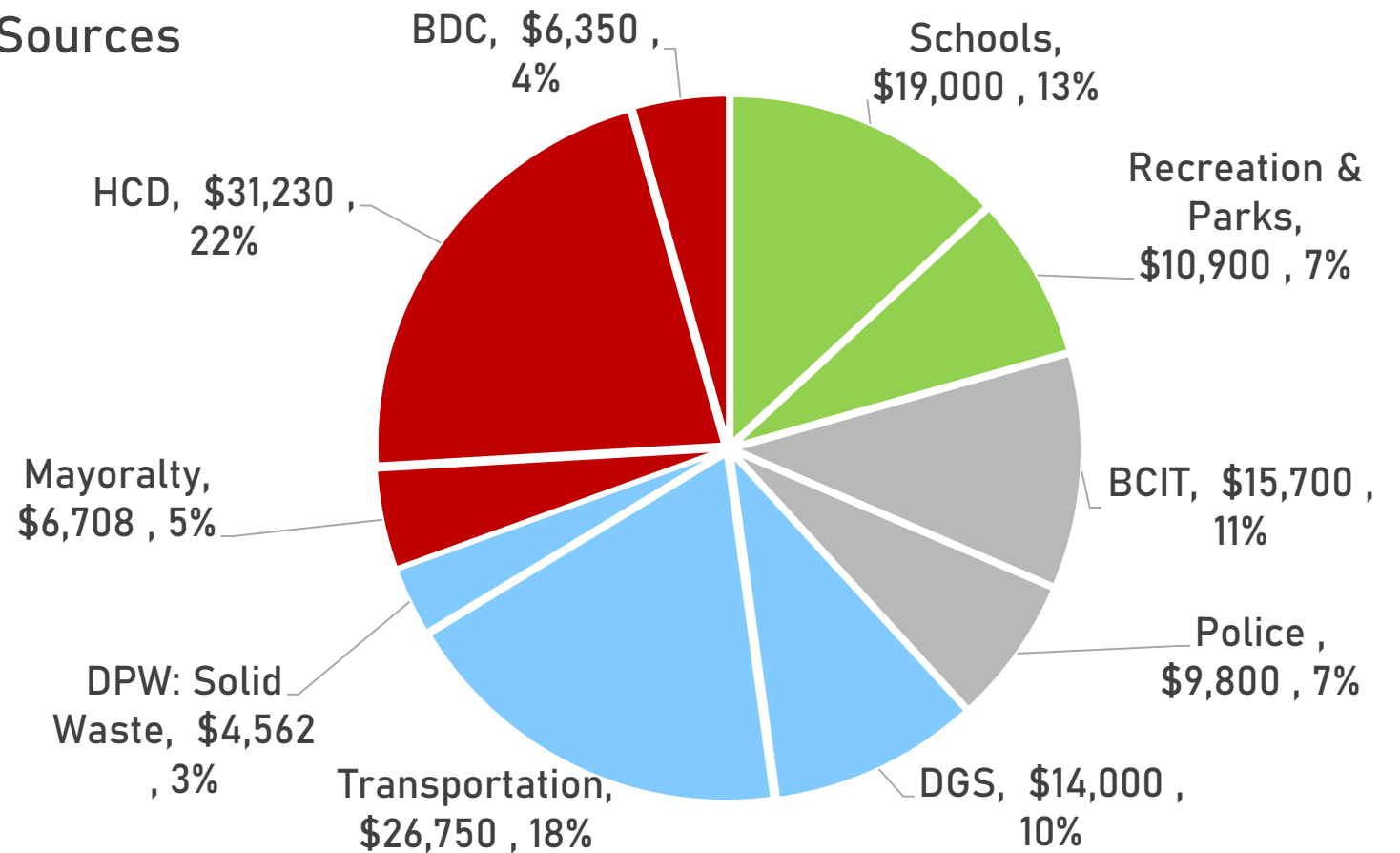
Allocation by Agency

2020 Capital Budget =
\$627,464,000

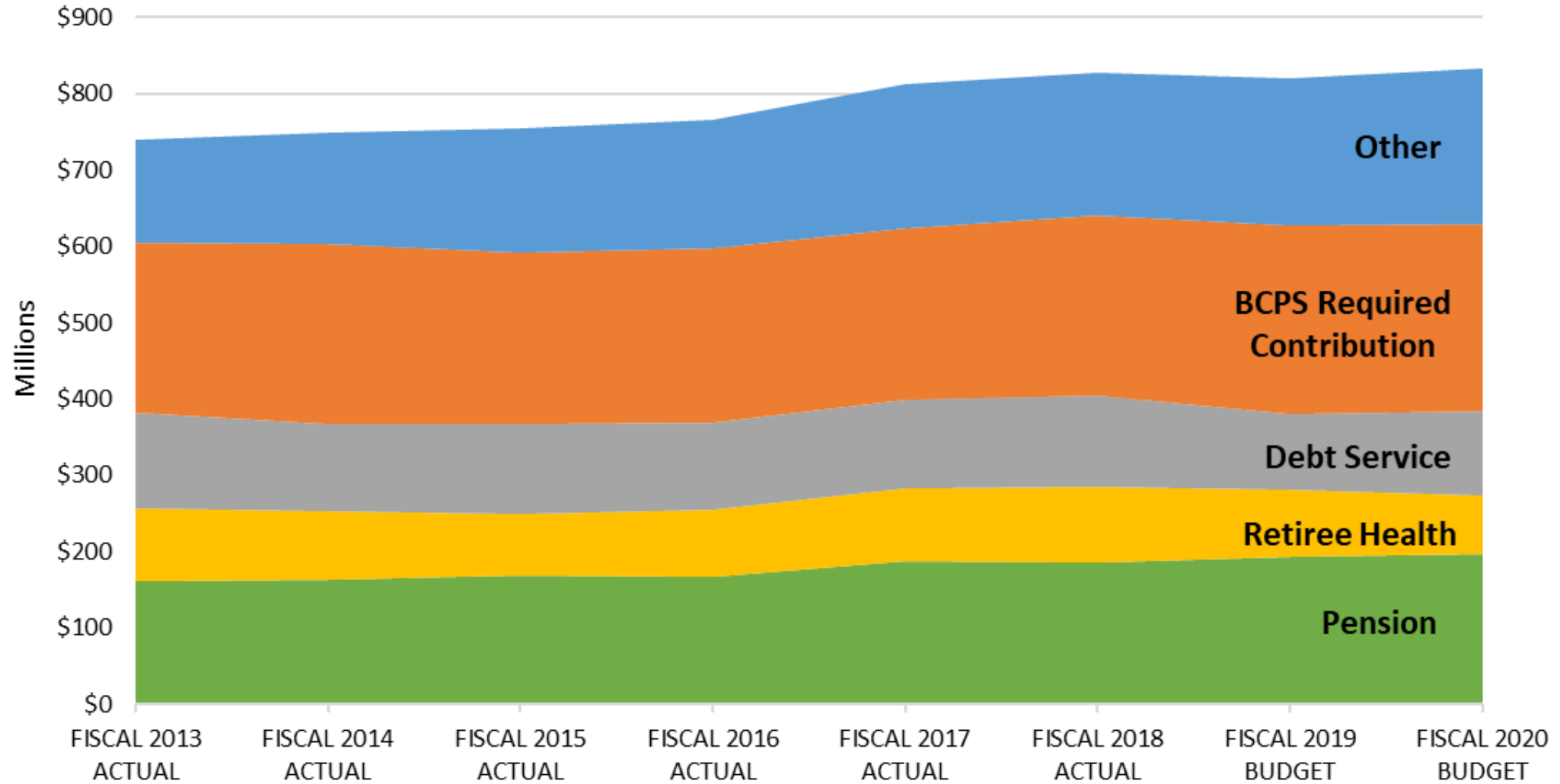


Where the Money Goes- Capital

FY20 Local, Non-Utility Fund Sources
(\$145 million total)

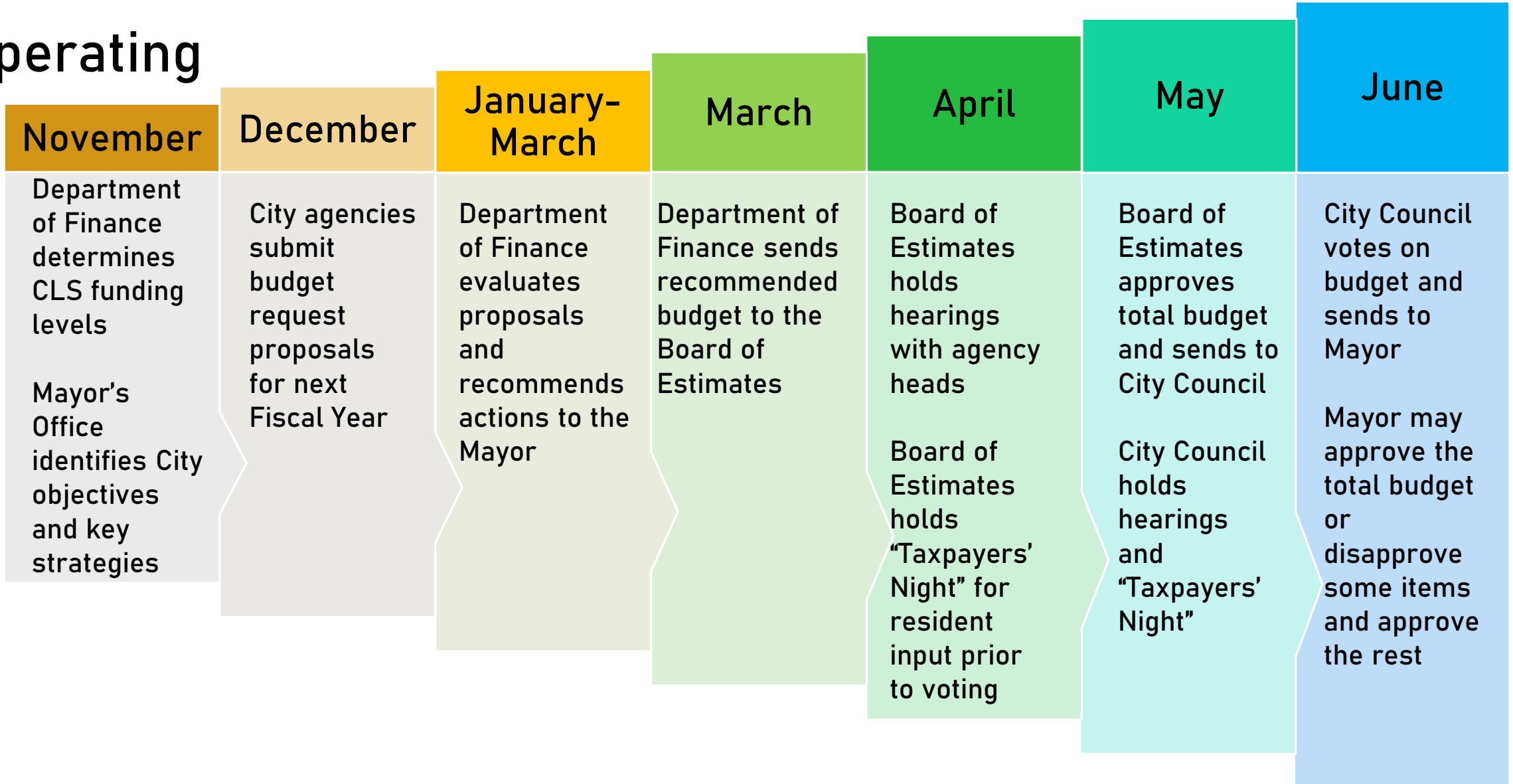


General Fund Fixed Costs Trend

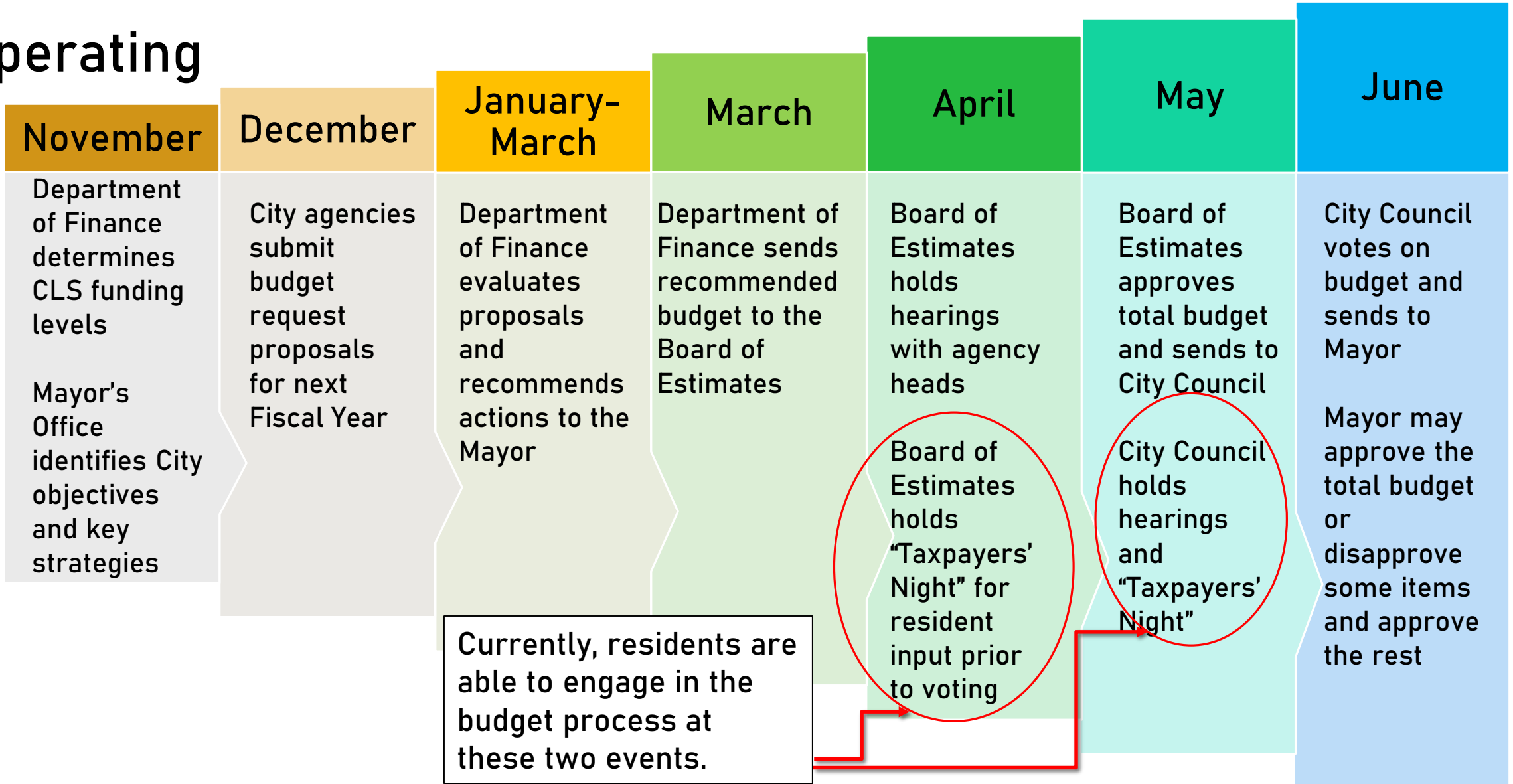


Baltimore's Budget Processes

Operating

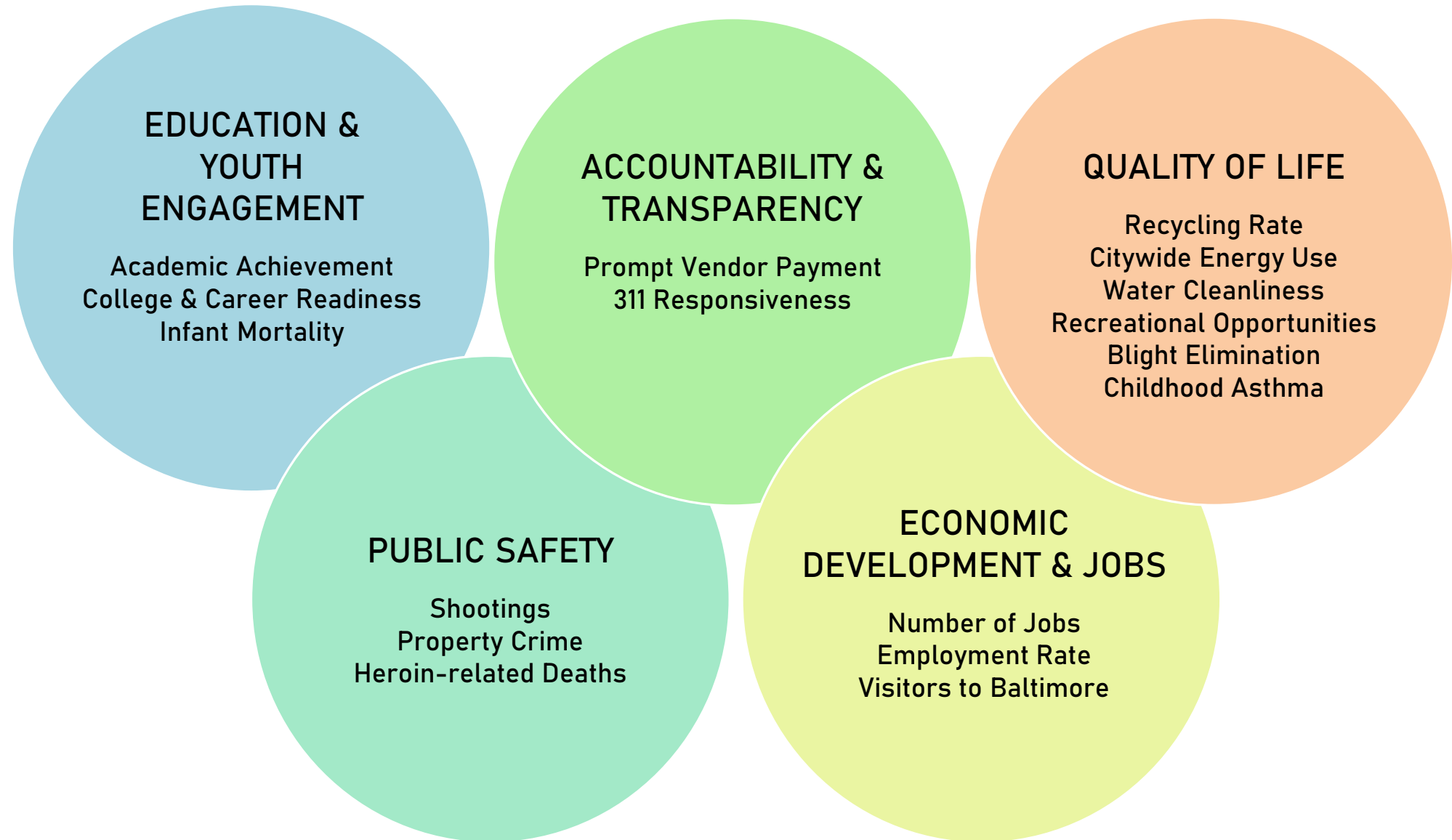


Operating



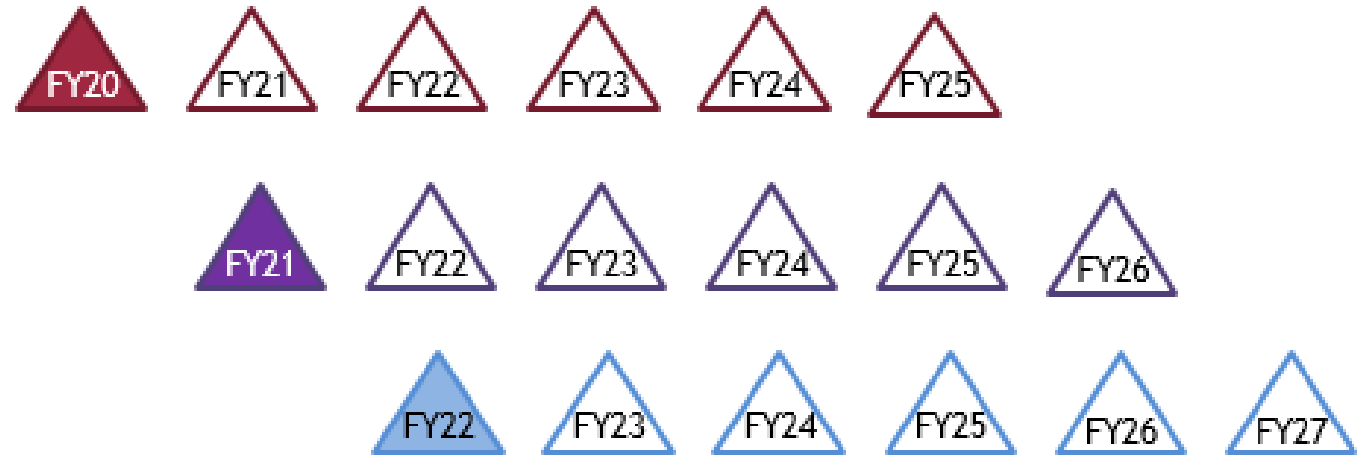
Our Financial Principles

- Charter-mandate to have a balanced budget
- Establish a budget that gets the best value for the investment (Priority Outcomes)
- Ensure that the City is fiscally responsible and healthy
 - Bond rating
 - Rainy day fund
 - Debt ratio
- Keep the City on a sustainable fiscal path

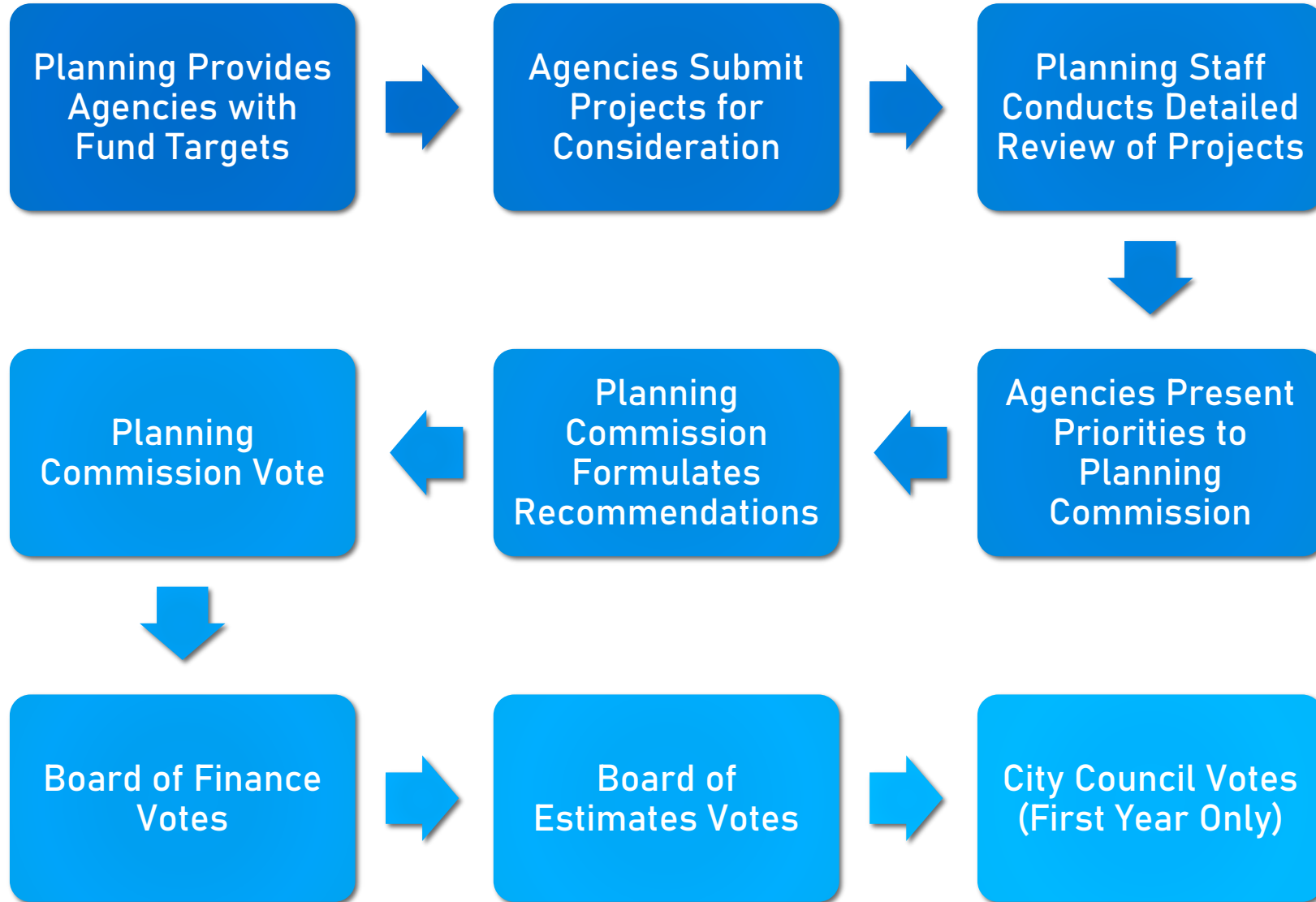


Capital Improvement Program Process

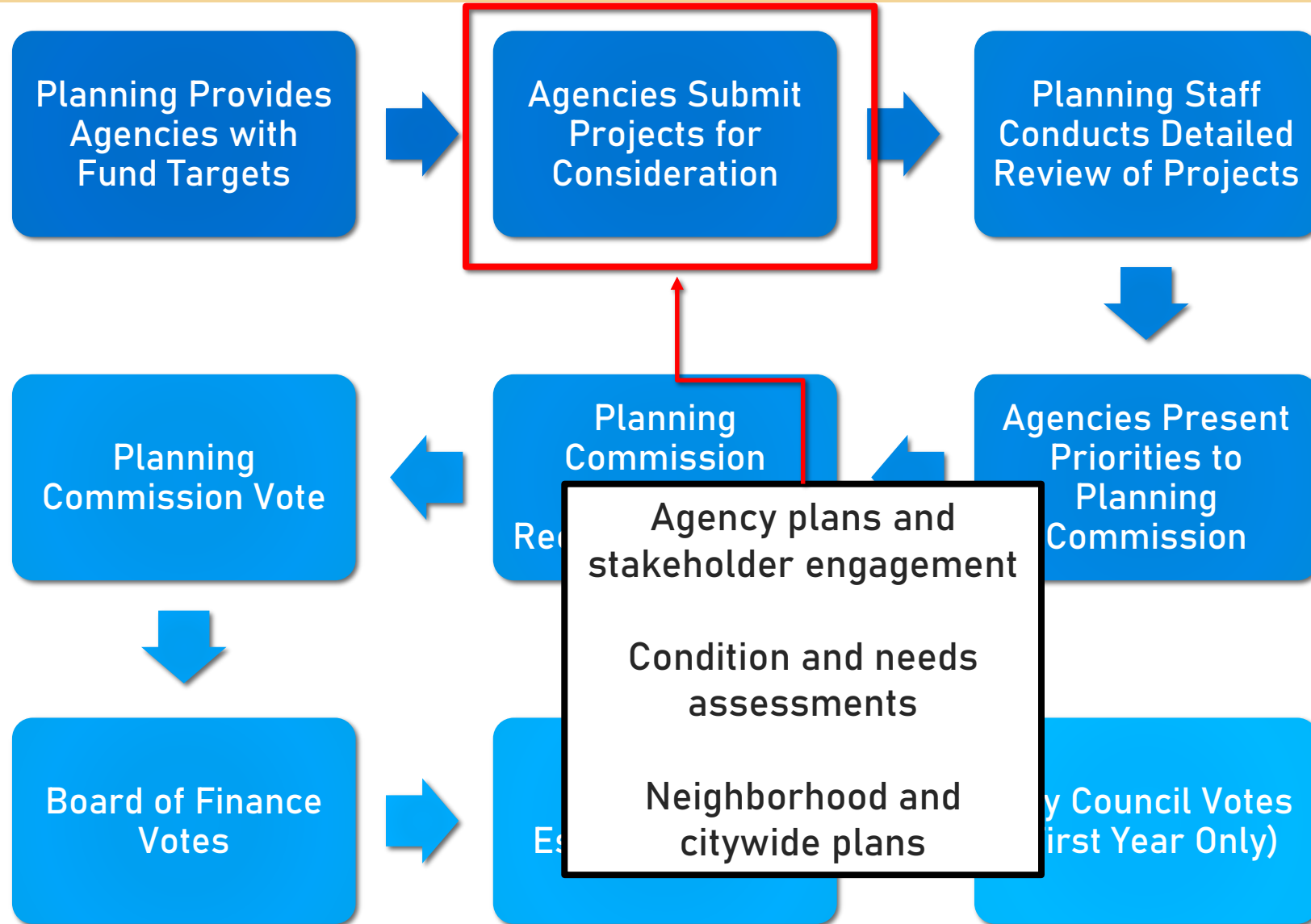
- By City Charter, the Planning Commission must submit a recommendation for the six-year Capital Improvement Program (CIP) to the Board of Estimates
- The first year of the CIP becomes the basis for the capital component of the Ordinance of Estimates (budget), adopted by City Council
- The six-year CIP begins again each year.



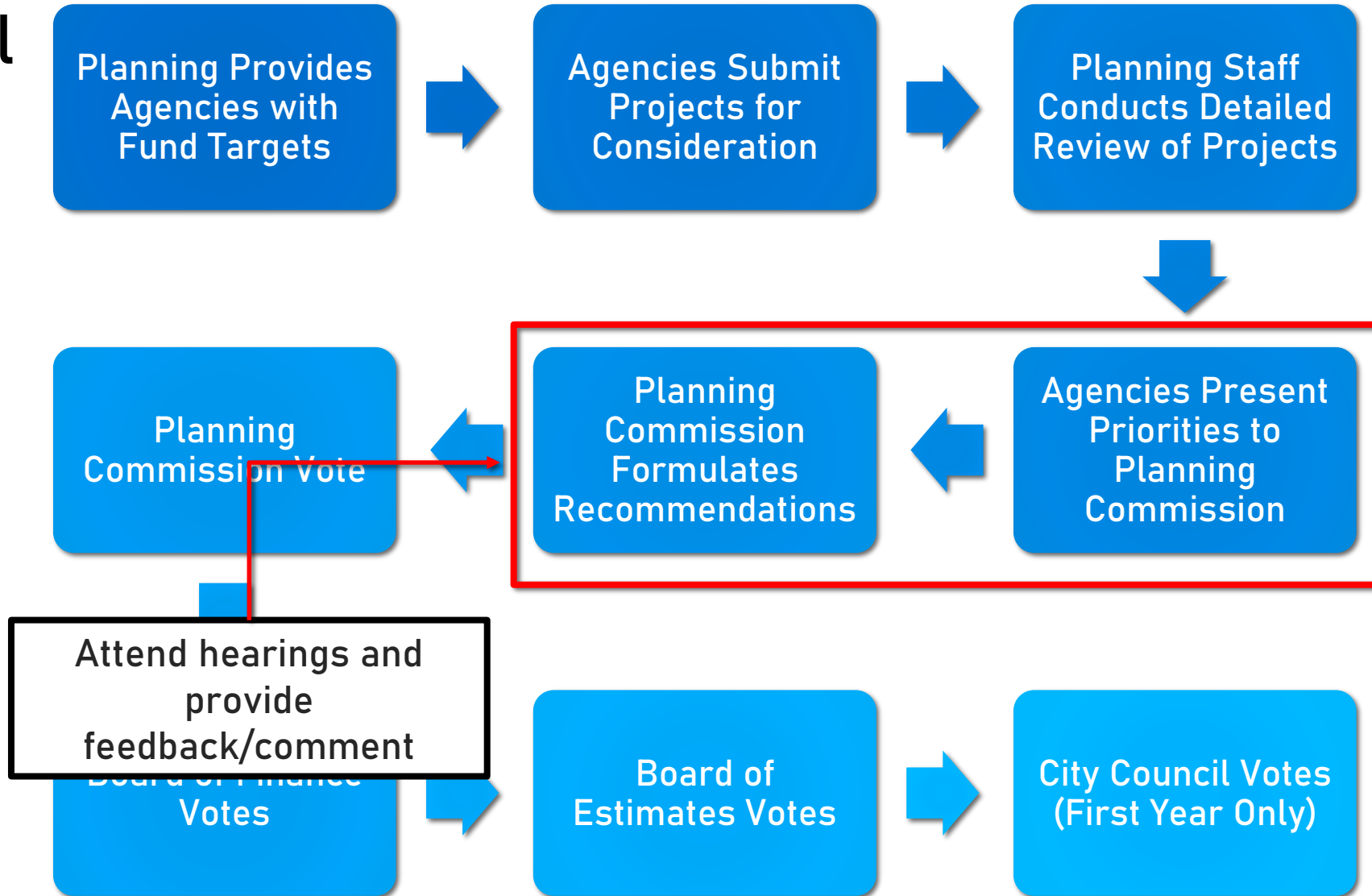
Capital



Capital



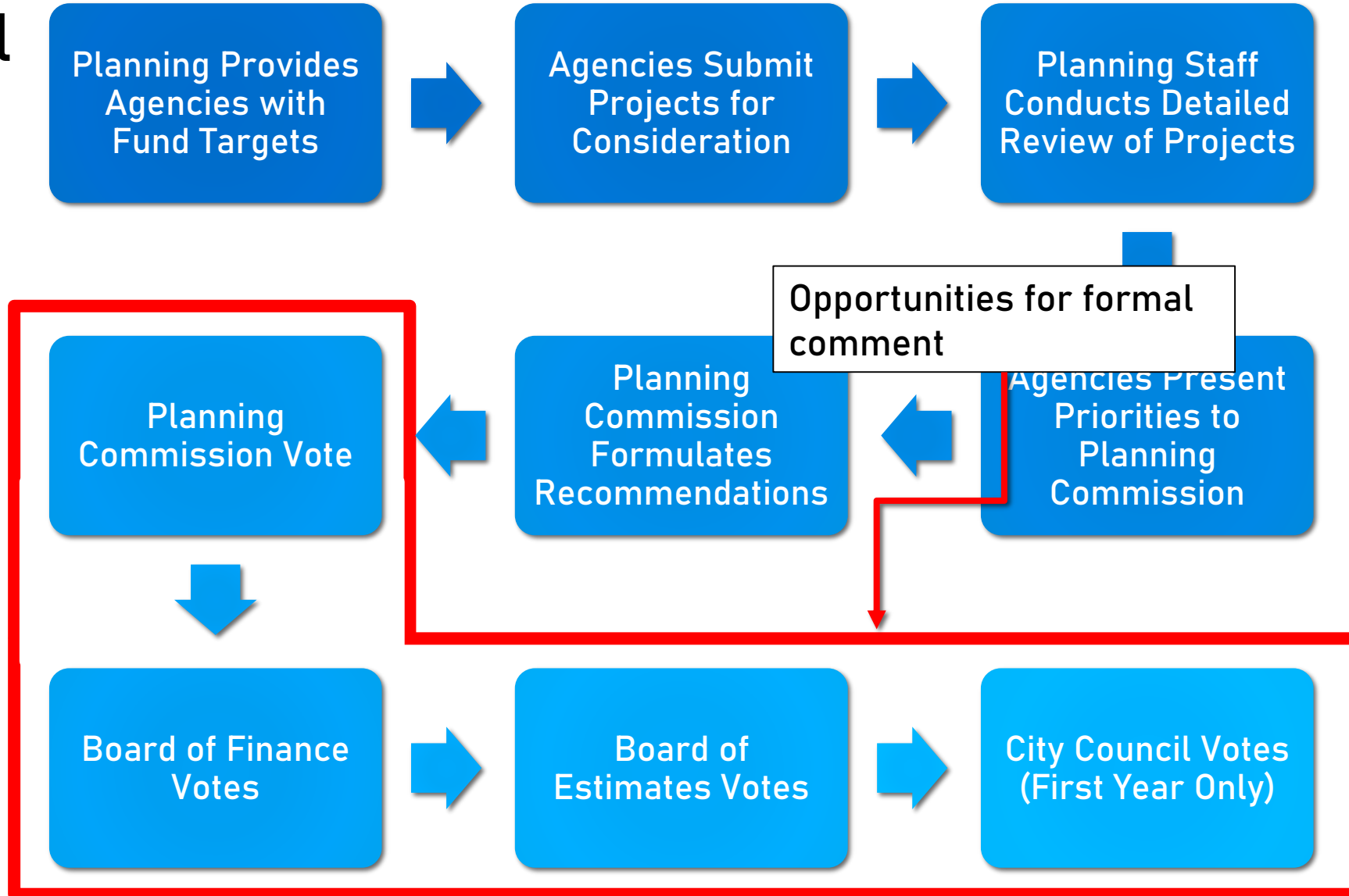
Capital



Planning Commission Evaluation Criteria

- Necessary to protect public health and safety
- City funding will leverage other fund sources
- Capital investment will result in operating savings
- Fulfills a state or federal mandate
- Necessary to implement a priority housing or economic development project
- Promotes private-public partnerships
- Implements the City's Comprehensive Master Plan, area master plans and/or agency/institution's master plan
- Implements the City's Sustainability Plan
- Agency has prioritized the project
- Promotes equity

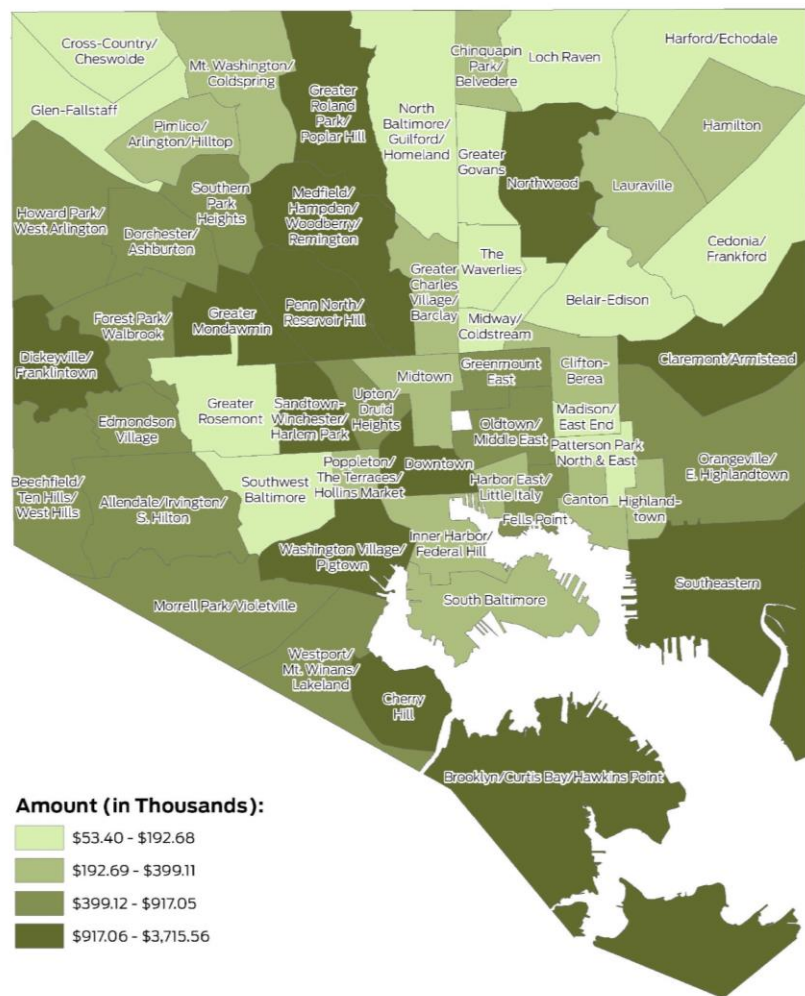
Capital



Equity in the Budget

Measuring Equity – Capital Budget

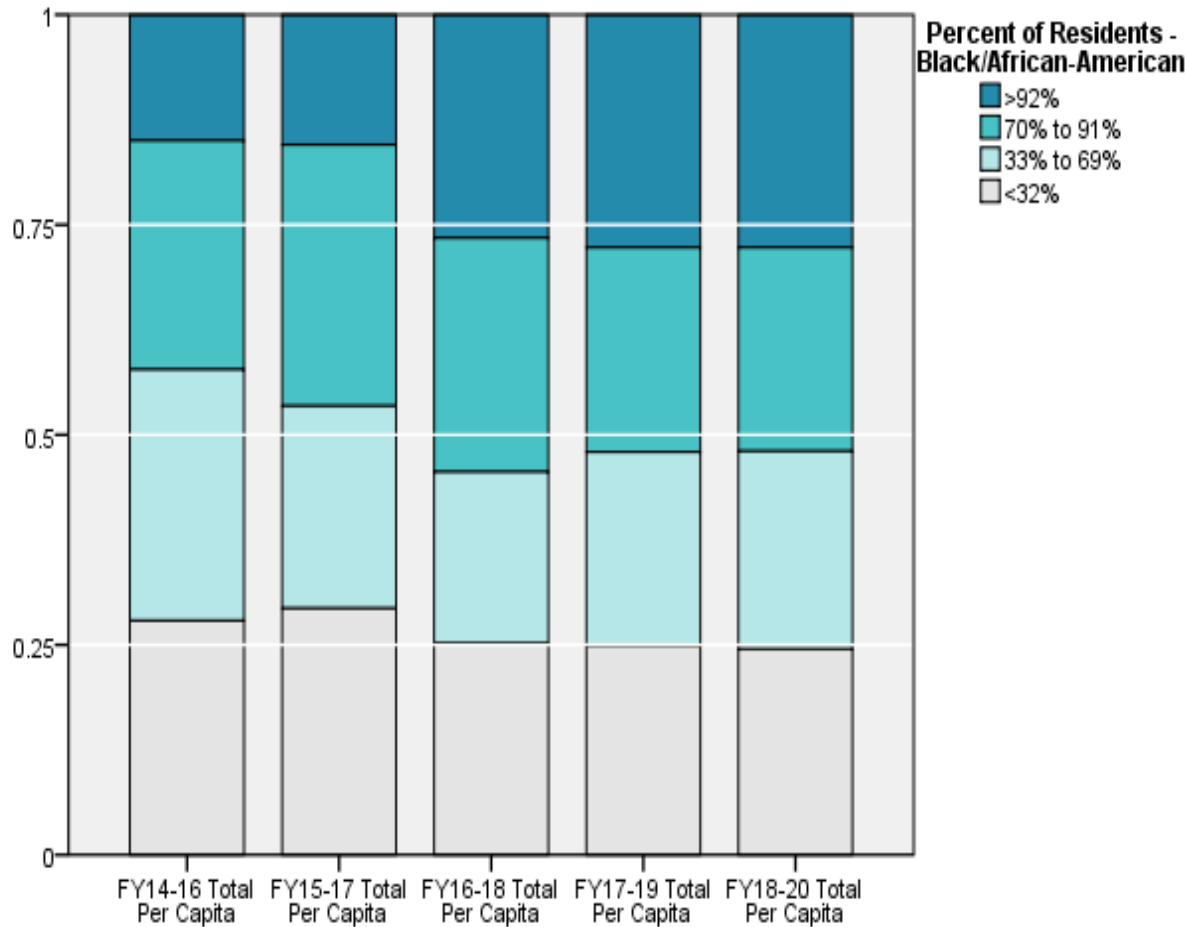
Per Capita CIP Allocations, FY 2018-2020



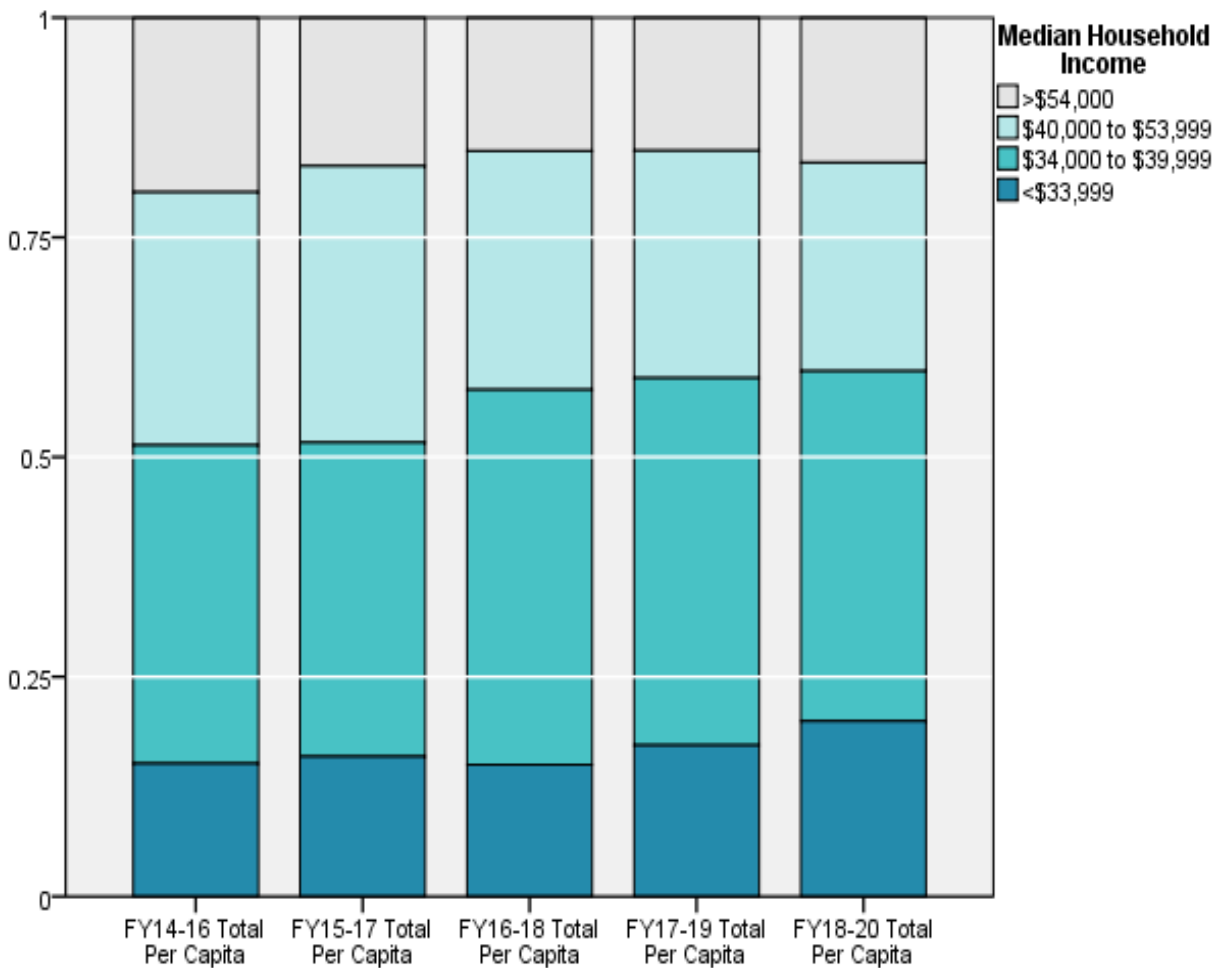
Type of Equity	Community Based Indicators	Data Definition
Distributional Equity	Race	Percent of residents who are non-Hispanic Black/African American or White/Caucasian
	Diversity	The percent chance that two people picked at random within an area will be of a different race/ethnicity
	Income	Median household income (Source: American Community Survey)
Transgenerational Equity	Age	Percent of residents who are under 5 years old, between 5 and 17 years old and over 65 years old. (Source: American Community Survey)
Procedural Equity	Plan Year	The most recent year an area master plan or study was adopted by the Baltimore City Planning Commission.
Structural Equity	Vacancy	The percentage of residential properties that have been classified as being vacant and abandoned by the Baltimore City Department of Housing
	Crime	The violent crime rate captures incidents of homicide, rape, aggravated assault, robbery, burglary, larceny, and auto theft that are reported to the Police Department.
	Life Expectancy	The average number of years a newborn can expect to live through their lifespan calculated by the Health Department
	Property Type	Ratio of commercial vs. residential properties from MD Property View

Measuring Equity – Capital Budget

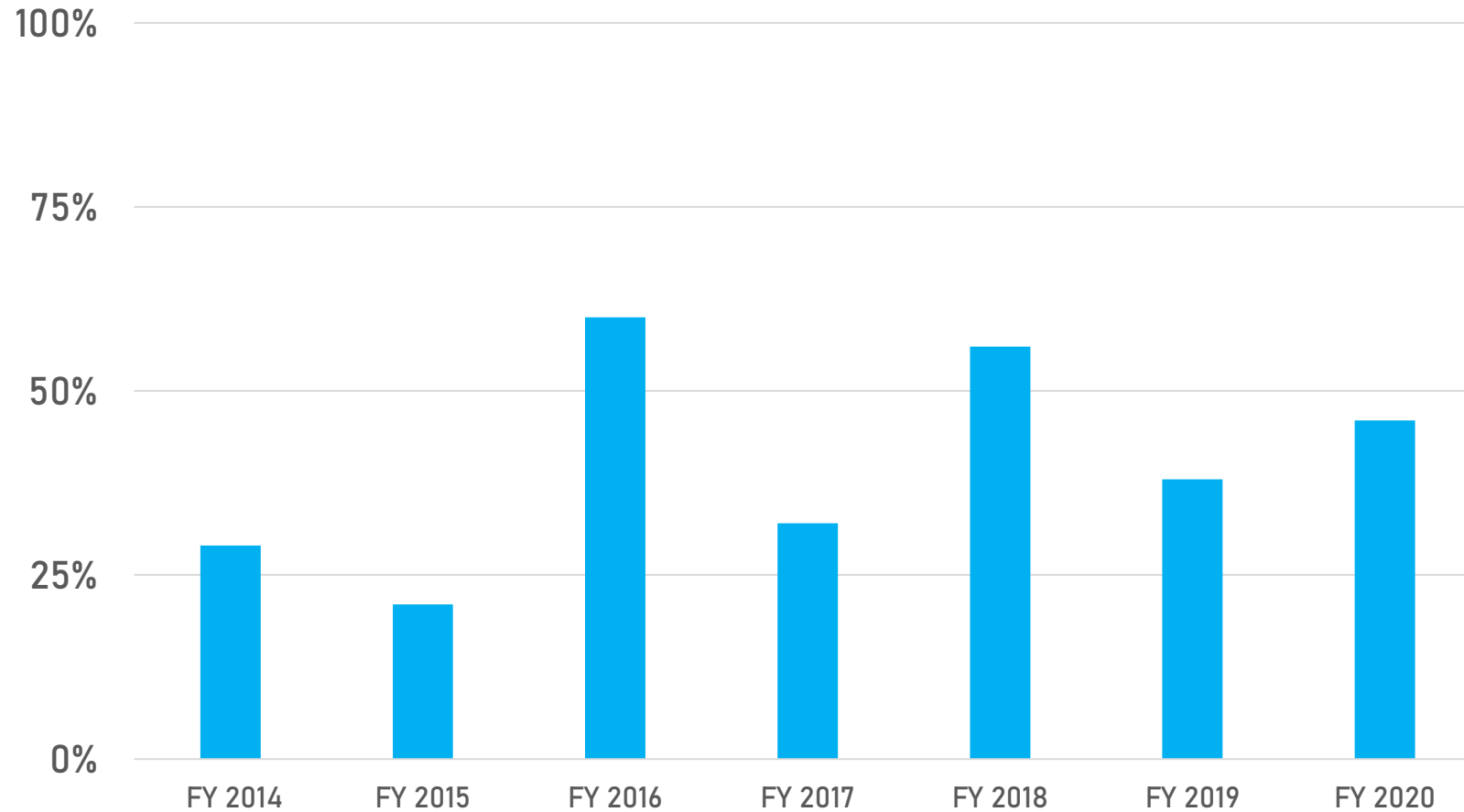
Ratio of Per Capita CIP Allocations by Percent of Residents - Black/African-American, FY14-FY20



Ratio of Per Capita CIP Allocations FY14-20 by Median Household Income



Percent of Annual CIP Allocations with Specific Locations (Mapped)



Operating Budget

Working to finalize processes and procedures that budget through an equity lens.

- Looking at ways to infuse equity in the budget proposal process
 - Requiring agencies to answer certain questions related to equity
 - Including equity in our evaluation criteria for certain parts of the budget
 - Identifying services within agencies to conduct deeper analyses
- Engaging with residents across the city throughout the budget process
 - New pop-ups at libraries across the City, as well as farmers markets
 - Presenting in coordination with City Council offices and Community Association meetings
- Talking with other jurisdictions about their processes and procedures to inform our work

How to Engage with BBMR and Planning

BBMR

- Our Website: budget.baltimorecity.gov
 - Review annual budget publications, management research reports, and 10 Year Plan
- Attend Events and Hearings
- Host a Budget 101 Presentation
- Social Media: Facebook, Twitter (@BaltimoreBudget)

Planning

- Our Website: planning.baltimorecity.gov
 - Review CIP reports, maps, presentations
 - Find public hearing/event schedule for FY21-26
- Attend Planning Commission presentations
- Request CIP Overview Presentation for community/neighborhood group
- Social Media: Facebook, Instagram

Questions?
